

RECLAMATION

Managing Water in the West

GROUNDWATER BANKING CRITERIA FOR CENTRAL VALLEY PROJECT WATER

INTRODUCTION

The Bureau of Reclamation (Reclamation) developed these Water Banking Criteria (Criteria) to implement water banking as authorized by the Central Valley Project Improvement Act (CVPIA), and as allowed by certain Federal contracts. Reclamation recognizes groundwater banking as an important water management tool in optimizing the use of Central Valley Project (CVP) Water, while addressing groundwater overdraft in some areas.

Historically, Reclamation has approved long-term (greater than 10 years) and short-term (less than two years) banking of CVP Water in acknowledged groundwater banks (Banks) listed in Appendix "A". The criteria used to approve past banking actions served as the basis of development for the Criteria presented below.

AUTHORITY

Banking of CVP Water is authorized by Sections 3408 (c), (d), and (e) of the CVPIA, Title XXXIV, Public Law 102-575, October 1992.

APPLICABILITY

These Criteria apply to Contractors under contract with Reclamation for water service or repayment, water rights settlement, exchange, or other applicable contract(s) requesting to bank CVP Water outside of their Contract Service Area. Contractors are subject to these Criteria and any updates thereof when banking CVP Water as approved by Reclamation.

These Criteria do not apply to within-district conjunctive use or to a Contractor banking its CVP Water within its Contract Service Area boundary.

Any non-CVP Contractor acquiring CVP Water for banking either through transfer, non-storable flood flows, or any other means, is not eligible to bank such transferred CVP Water outside of their service area unless otherwise approved by Reclamation. If approved, the non-CVP Contractor is subject to all of the provisions, terms and conditions as outlined in these Criteria and any updates thereof.

PURPOSE

These Criteria provide consistency for Reclamation's approval of CVP Water being banked in groundwater banking facilities for later beneficial use. Groundwater banking creates operational flexibility and water supply reliability to Contractors. These Criteria set forth the standards under which Reclamation may approve banking and recovering of CVP Water outside of the Contractor's Contract Service Area boundary while protecting the integrity of the CVP. Contractors requesting approval to bank or recover CVP Water need to submit a water banking proposal (Proposal) to Reclamation and should use these Criteria when writing the Proposal.

GENERAL

Reclamation analyzes all Proposals to ensure consistency with state and federal laws and that no banking action results in adverse impacts to the CVP, other contractors, or the environment. Proposals will also be analyzed to ensure that all CVP Water is returned for beneficial use prior to expiration of the Contractor's contract or the water banking approval. A Contractor is encouraged to consult with Reclamation before and during formulation of a complete Proposal.

Appendix "B" is a guide to help the Contractors develop a complete Proposal. After Reclamation receives a complete Proposal and it is properly analyzed, the banking proposal/action must undergo National Environmental Policy Act (NEPA) compliance before approved. Once approved, Reclamation will notify the Contractor in writing.

Reclamation acknowledges certain Banks for banking CVP Water listed in Appendix "A". For approval, the proposed banking program must be within one of the acknowledged Banks. The Banks listed are located within the CVP consolidated place of use for delivery of CVP Water. Reclamation may update the list of acknowledged Banks without modifying these Criteria. A Bank operator seeking to add a Bank to the existing acknowledged list should contact their local Reclamation area office or visit <http://www.usbr.gov/mp/waterbanking/> for more information.

To ensure continued compliance with applicable federal and state laws and authorities, Reclamation will update or revise these Criteria as necessary. Reclamation banking approvals pursuant to these Criteria are subject to change by update or revision to the Criteria. Approvals issued prior to these Criteria are also subject to Reclamation review for compliance with these Criteria or any update or revision thereof.

DEFINITIONS

For the purposes of these Criteria only, the following definitions apply.

Contractor: A party having a contract with the United States or any other entity for the use of CVP Water pursuant to Federal Reclamation law. This includes any party that acquires CVP water through transfer, exchange, or by any other means.

Central Valley Project Water (CVP Water): All water that is developed, diverted, stored, or delivered by the Secretary of the Interior in accordance with the statutes authorizing the CVP and in accordance with the terms and conditions of water rights acquired by Reclamation pursuant to California law.

Conjunctive Use: The coordinated and planned management of both surface and groundwater resources in order to maximize the efficient use of the resources; that is, the planned and managed operation of a groundwater basin and a surface water storage system combined through a coordinated conveyance infrastructure. Water is banked in the groundwater basin for later planned use by intentionally recharging the basin during years of above-average surface water supply.

Contractor's Contract Service Area: The area to which the Contractor is permitted to provide CVP Water under its contract(s) as described in the contract, which may be modified from time to time in accordance with the contract without amendment to the contract.

Groundwater Bank(s) (Bank(s)): An established groundwater storage aquifer acknowledged by Reclamation for CVP Contractors storing CVP Water.

Groundwater Banking (bank/banked/banking): A process whereby a Contractor's CVP Water is deposited and stored in a Bank outside of the Contractor's Service Area and made available for beneficial use in a subsequent year(s).

In-lieu Banking: Utilizing surface water rather than pumping groundwater and allowing groundwater to remain in the aquifer.

Letter of Agreement (LOA): Written instrument entered into by Reclamation and the Contractor whereby Reclamation's costs are paid for reviewing and processing a Proposal.

Project Power: Electrical energy, and its associated ancillary service components, required to provide the full electrical service needed to operate and maintain CVP facilities and to provide electric service for CVP purposes.

Recharge: The process of adding CVP Water to an aquifer to replace groundwater supplies. Ground water recharge occurs either naturally as the net gain from precipitation, or artificially as the result of human influence.

Recovery (recover/recovered): Return of banked water from an acknowledged Bank to a CVP Contractor through facilitated exchanges, physical extractions, or in-lieu transactions.

CRITERIA FOR BANKING CVP WATER

To bank CVP Water, a Contractor must have a contract that permits banking, the water to be banked must be in excess of to the Contractor's current year needs but not in excess of their annual allocation (as demonstrated by Contractor and approved by Reclamation), and is subject to the following provisions.

A. Compliance: A Contractor requesting to bank CVP Water must be in compliance with the:

1. Contractor's previous banking action(s) approved by Reclamation, as appropriate.
2. Applicable contract under which CVP Water is/was made available for banking by the Contractor.

B. Conveyance: Conveying water for banking must be consistent with the following:

1. Conveyance of CVP Water to or from a Bank shall follow the general rule of no harm to the:
 - a. Operations of the CVP
 - b. Other CVP Contractors
 - c. Financial status of the CVP
 - d. Environment
2. The Contractor depositing CVP Water for banking into a Bank is responsible for:
 - a. Coordinating with and acquiring written approvals or agreements (if applicable) from the appropriate entity(ies) such as, the Department of Water Resources, the local Reclamation Area Office, or a State Water Project contractor.
 - b. If a water banking action requires an exchange for non-CVP Water, a conveyance contract may be necessary.
3. The introduction of any water into a CVP facility for banking returns, must comply with the then-current water quality standards/requirements for that CVP facility.

C. Recharge and Recovery: Banking or recovering the CVP Water may be done by direct recharge, exchange¹, transfer, or in-lieu.

D. Duration: CVP Water deposits into a Bank must be made during the term of the existing contract under which the CVP Water is/was banked. If the banking action

¹ An exchange in this scenario does not refer to an exchange approved outside of this banking Criteria.

extends beyond the duration of the contract under which the CVP Water is/was banked, approval will be considered on a case by case basis.

- E. Acreage Limitation Exemption: CVP Water delivered under a temporary Section 215 water service contract and banked is only exempt from the acreage limitation provisions of Federal Reclamation Law for the one year duration of the Section 215 contract. This criterion is only applicable to water users or districts subject to acreage limitations under Federal Reclamation law.
- F. Administrative Costs: The LOA under which this banking occurs will remain in effect during the term of the approval. The Contractor is responsible for any Reclamation costs or expenditures relating to the banking approval, including any other costs deemed applicable by Reclamation.
- G. Purpose of Use: Beneficial use of banked CVP Water must be consistent with the terms and conditions of the applicable Reclamation CVP Water rights permits and licenses and provisions of the contract under which the CVP Water is/was banked.

Previously banked CVP Water may be used for beneficial purpose(s) other than that for which it was initially banked but is subject to Reclamation approval and any additional requirements that may be imposed by Reclamation.

- H. Place of Use: When previously banked CVP Water is recovered through an exchange of non-CVP Water, the water received by the Contractor must be beneficially used within the Contractor's Contract Water Service Area. The exchanged CVP Water must be used within the CVP place of use.
- I. Environmental Compliance: Reclamation approval for banking CVP Water is dependent upon Reclamation complying with applicable environmental requirements including but not limited to:
 - 1. NEPA
 - 2. The Endangered Species Act (ESA)
 - 3. Other applicable state and federal Laws
- J. Power: Project Power can only be used for conveyance of water through federal facilities for federal Contractors participating in banking actions. Non-federal Contractors banking CVP Water are responsible for all additional power costs if applicable.
- K. Records: The Contractor and the Bank operator, by written agreement, will maintain accounting records of the Contractor's CVP Water balance depicting CVP Water deposited and recovered.

1. The Contractor will provide monthly detailed accounting during periods of recharge and recovery. These may be submitted as part of the water delivery records due on the 20th of every month. If no activity is occurring, accounting records are required quarterly.
 2. The Contractor and the Bank Operator are responsible for providing independent annual reports summarizing the cumulative banking actions from the initial banking approval through the end of the recent contract year, and each contract year thereafter.
- L. Scheduling: The Contractors will provide monthly water schedules with proposed quantities of CVP Water for deposit or withdrawal.
- M. Banking Losses: Water losses vary by Bank. Reclamation will independently determine if specified losses are acceptable based on analysis of local conditions (i.e., local hydrology, aquifer characteristics, etc.).
1. The Contractor is responsible for all water losses associated with the banking transaction such as, but not limited to the recharge, recovery, and conveyance of the banked water.
 2. If a Contractor banks more CVP Water than can be recovered, the Contractor must replace the unbalanced ratio of deposits/withdrawals to the CVP prior to termination of the banking program; e.g. a scenario where 100 acre-feet (AF) of CVP Water in and 50 AF out means the Contractor must repay 50 AF of water back to the CVP. Reclamation will determine the amount of water that needs to be replaced on a case by case basis.
- N. Transfer of Previously Banked Water: Transfer of any previously banked CVP Water is subject to the water transfer provisions of the CVPIA, applicable Reclamation policy, and state law.

Reclamation may approve a transfer of previously banked CVP Water to either a CVP or non-CVP contractor providing the transfer complies with applicable federal and state laws. The water transfer's consumptive use requirement is deemed met after the water remains in the Bank for 365 days.

Transfer of previously banked water requires additional environmental compliance and subsequent approval by Reclamation.

- O. Rates Associated with Banking CVP Water: CVP Water delivered to a Bank and returned will be treated as CVP Water delivered to the Contractor and therefore all applicable CVP rates, charges, and Reclamation water accounting practices apply.

APPENDIX A

ACKNOWLEDGED WATER BANKS

The entities listed below are the Banks Reclamation acknowledges for Contractors banking and recovering CVP Water. Reclamation may update this list as needed without modifying the Criteria. A potential Bank operator seeking to add a Bank to the existing list should contact the local Reclamation area office or visit <http://www.usbr.gov/mp/waterbanking/index.html>.

Acknowledged Water Banks		Identifier Number
1	North Kern Water Storage District	05-WC-20-3256
2	Rosedale-Rio Bravo Water Storage District	05-WC-20-3257
3	Semitropic Water Storage District	05-WC-20-3258
4	Tulare Lake Basin Water Storage District	05-WC-20-3259
5	Cawelo Water District	05-WC-20-3260
6	Lakeside Irrigation District	05-WC-20-3261
7	Kaweah Delta Water Conservation District	05-WC-20-3266
8	Kern Water Bank Authority	Pending
9	Meyers Farms Family Trust	N/A

APPENDIX B

GUIDE FOR WATER BANKING PROPOSAL

A Contractor needs to provide the following information to initiate Reclamation's review of the Proposal. When providing the information, Contractors need to ensure that all Criteria are addressed.

1. Name and location of Contractor.
2. Name and location of the Bank.
3. Complete a written description of the Proposal, including the proposed time period and/or duration, in term of years, for the banking actions. Identify input and storage periods and corresponding withdrawal/recovery periods.
4. State the quantity of CVP Water made available for banking. Identify the initial and subsequent purposes of use for the banked water; e.g., irrigation water being banked for future irrigation or municipal and industrial (M&I) use; M&I water being banked for future M&I or irrigation uses.
5. Explain how the CVP Water is being made available for banking.
 - a. Identify the sources of the CVP Water to be banked, i.e., will the Contractor bank its Class I, Class II, supplemental CVP Water, purchased water, etc?
 - b. Will the Contractor bank CVP Water made available pursuant to section 215 of RRA (e.g. flood flows)?
 - i. If so, provide details of how the Contractor obtained the CVP Water; e.g., via a temporary water service contract with direct delivery to the Bank or via an exchange, etc.
 - c. Will the Contractor obtain any portion of the CVP Water made available for banking via a transfer from another CVP Contractor?
6. Identify the method or methods by which the water will be banked, i.e., exchanges, in-lieu, and/or direct recharge. Include applicable agreements.
7. Identify the conveyance methods for delivering the water to the Bank and for the return of the banked water to the Contractor, including the power required.
8. Identify the conveyance losses and banking losses associated with the banking action. Include any losses that occur as a result of the water that must be left in the bank after withdrawal.

9. State what environmental requirements (NEPA, ESA, CEQA, and Fish and Wildlife Coordination Act, if applicable) have been completed. Explain and provide documentation.
10. Provide information on how & where banked water will be used after it is recovered.
11. Identify any State Board water right actions required.
12. Include the agreement between the Contractor and the Bank.

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Acronyms and Abridgments

AF	Acre-Feet
Bank	Groundwater Bank
CEQA.....	California Environmental Quality Act
Contractors.....	Central Valley Project Contractors
Criteria	Water Banking Criteria
CVP.....	Central Valley Project
CVPIA.....	Central Valley Project Improvement Act
ESA	Endangered Species Act
LOA	Letter of Agreement
M&I.....	Municipal and Industrial
NEPA	National Environmental Policy Act
Proposal.....	Water Banking Proposal
Reclamation	Bureau of Reclamation
RRA	Reclamation Reform Act of 1982